

**Revenue Sharing Program
De-allocation, Project Transfer, and Inactive Project Process**

De-allocation Process

Identification of Projects Subject to De-allocation:

- §33.1-23.05 was modified in 2008 to include a provision establishing timeframes for the expenditure of funds. The language indicates that any project having funds under the revenue sharing program shall be initiated in such a fashion where at least a portion of the funds have been expended within two subsequent years of allocation. Funds on projects that do not have expenditures within the stated timeframes are subject to de-allocation. It has been interpreted that this will apply to all prior Revenue Sharing funding.
- Criteria for identifying projects for potential de-allocation:
 - Project completed with allocations remaining
 - Project not initiated after two (2) subsequent fiscal years of allocations
 - Project on-going, where no portion of allocated revenue sharing funds have been expended within two (2) subsequent fiscal years of allocations

Process for de-allocation:

- Obtain from Fiscal Division a list of revenue sharing projects that have had no activity in past 24 months.
- Revenue Sharing Program Manager will request by email the status and an action plan from Project Managers (Residency Administrators and/or Urban Program Managers) on all projects they manage, to be able to determine if any projects are subject to de-allocation. (Project Manager will coordinate with their locality if de-allocation is needed regarding the status and action plan.) The letter will request a response back to Revenue Sharing Program Manager within 30 days.
- Projects acknowledged by the project manager as complete or needing to be cancelled will be closed and project manager will be granted another 45 days to provide proper documentation to move funds to another qualifying project.
- If Project Manager does not respond to the 30 day letter or request an extension of time, a follow-up email will be sent to PM, copying the District Administrator and Assistant District Administrator requesting response within 15 days.
- Once projects that are subject to de-allocation have been identified, and no action plan provided or action plan requests de-allocation, list will be presented at the next upcoming CTB meeting for direction on de-allocation or deadline extension of action plan. Localities will be notified of proposed de-allocation projects at least 30 days prior to presentation to the CTB.
- If the decision is made to de-allocate the remaining funds, those funds will be transferred to Local Assistance's Lower Level Revenue Sharing budget for redistribution as part of the supplemental allocation process. Any match funds that had been paid by the locality for these funds being de-allocated will be refunded to that locality through the respective residency/district office.
- The CTB will be advised no more than three months prior to the end of any fiscal year of funds available for re-allocation as part of the annual supplemental allocation process. De-allocated amounts will be available for re-allocation statewide at the discretion of the CTB.

Project Transfers

Project manager may request that unexpended allocated funding be transferred to another existing revenue sharing project within the same locality or to a new project within the same locality. These transfers need to occur prior to the project being identified for de-allocation. Once a project has been identified for de-allocation, transfers can only occur when it will cover a deficit on a project. Such transfer requests must be made in writing, be accompanied by a PD-24, and have the appropriate documentation from the locality. These transfers can be requested and made throughout the course of the year.

Process for transfer:

- ***Existing Revenue Sharing Project to Existing Revenue Sharing Project:***
 - Project Manager submits PD24 along with email or letter from County Administrator, Board of Supervisors, or Town/City Manager requesting transfer (referencing from and to).
 - Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with Programming Division)
- Once funding is verified it is available:
 - Revenue Sharing Program Manager forwards PD24 to Programming Division for processing in PAM & records transfer in Revenue Sharing database.
 - Email is sent to the Project Manager indicating the transfer of funding has been approved. If applicable, project agreements are modified (or request made of project manager to do so) and is transmitted with the transfer approval letter.
- ***Existing Revenue Sharing Project to New (project that has never had Revenue Sharing funds on it before):***
 - New project must be in the Secondary or Primary SYP **and** movement of the funds must advance the projects established ad date.
 - Project manager must submit resolution from the Locality requesting the transfer, identifying the status of the “from” project and request establishment of the new project as a revenue sharing project.
 - Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with Programming Division)
- Once funding is verified it is available:
 - Revenue Sharing Program Manager drafts CTB resolution and Decision Brief for review by AG.
 - Once approved by AG, CTB Resolution & Decision Brief put on agenda for next CTB meeting.
 - Once CTB has approved, Revenue Sharing Program Manager forwards PD24 to Programming Division for processing in PAM and records transfer in Revenue Sharing database.
 - Email is sent to the Project Manager indicating the transfer of funding has been approved. If applicable, project agreements are modified (or request made of Project Manager to do so) and is transmitted with the transfer approval letter.

Inactive Project Review

The inactive project review for the majority of projects is on projects that have had no activity within twelve (12) months. Legislation for Revenue Sharing funding allows 36-months of no activity before any action can be taken. The review for inactivity is covered under the de-allocation process. Any transferring of funds on a project deemed inactive will also be handled as part of the de-allocation process.